

<b>Report title</b>	Pensions Administration Report to 31 December 2023	
<b>Originating service</b>	Pensions Services	
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<b>Report to be/has been considered by</b>	Rachel Brothwood Email	Executive Director of Pensions <a href="mailto:Rachel.Brothwood@wolverhampton.gov.uk">Rachel.Brothwood@wolverhampton.gov.uk</a>

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**Recommendation for decision:**

The Pensions Committee is recommended to approve:

1. The 14 applications for admission from employers into the Fund as detailed in Section 8 and appendix B of the report.

**Recommendation(s) for action:**

The Pensions Committee is asked to note:

1. Performance and workloads of the key pension administration functions
2. Development of the fund's membership and participating employer base.

**1.0 Purpose**

- 1.1 To inform the Pensions Committee of the routine operational work undertaken by the Pensions Administration Service areas during the period 1 October 2023 – 31 December 2023.

## 2.0 Background

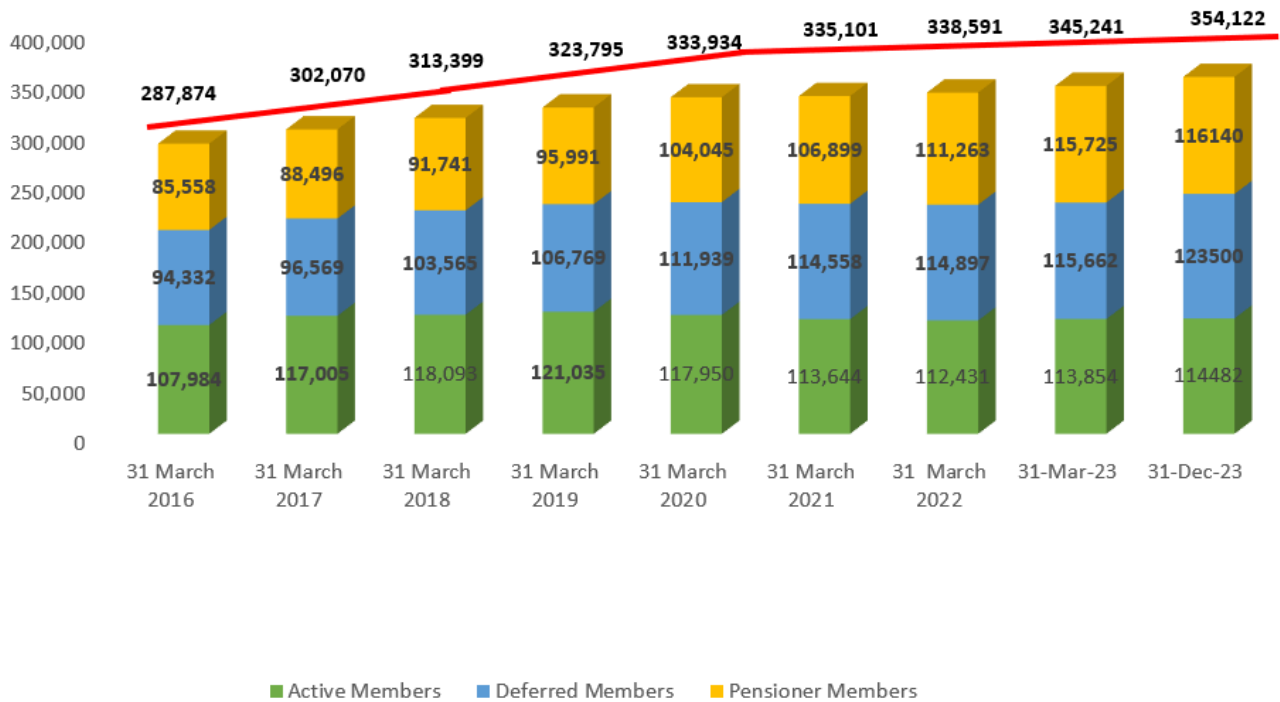
- 2.1 The Fund provides a pension administration service covering employer, customer and member services, data processing, benefit operations, payroll, and systems/technical support. A report is provided to the Pensions Committee on a quarterly basis to assist in monitoring the activity and performance of these functions during that period.
- 2.2 Following the transition to a new administration system in July 2023, the content of this report may be slightly different to those in prior reports, with elements continuing to be developed for future reporting periods. The key information is expected to remain consistent and will develop during the year. We continue to work with our new provider to develop and analyse meaningful reporting metrics for quarterly and annual reporting, ensuring comparability and accuracy of reporting.

## 3.0 Scheme Activity

### 3.1 Membership Movement – Main Fund

- 3.1.1 The total number of scheme member records in the Fund on 31 December 2023 stands at 354,122. The long-term trend in membership continues to illustrate a move towards a more mature profile whereby, in general, pensioners and deferred memberships continue to rise by more than active.

	<b>Membership as at 30 September 2023</b>	<b>Net Movements during the period</b>	<b>Membership as at 31 December 2023</b>
Active Members	113,286	1,196	114,482
Deferred Members	120,646	2,854	123,500
Pensioner Members	116,336	(196)	116,140
<b>Total Members</b>	<b>350,268</b>	<b>3,758</b>	<b>354,122</b>



## 3.2 Workflow Statistics and Key output monitoring

- 3.2.1 As noted in the December 2023 report, following Go-Live of the new system, there was both a volume of casework created during the planned period of downtime on processing, as well significant levels of new processes commenced during the reporting period. Casework and statistics continue to be monitored daily across a suite of new processes to track volumes incoming and completed which aid in the review and allocation of work. At the same time, aged analysis has been undertaken across key processes to determine the oldest cases and ensure these are addressed alongside priority cases outlined in section 3.2.2 below.
- 3.2.2 Member quotations and payments, which include Retirements and Refunds are being prioritised, including review of payments following member bereavement. This prioritisation is in line with an established escalation process, based on individual circumstances and responsive to financial hardship.
- 3.2.3 Our 116,000 pensions currently in payment continue to be paid on time and without disruption. Supplementary payrolls continue to be used to positive effect, ensuring we can make payment of arrears throughout the month, allowing members to receive payments faster. All lump sum retirement payments are being paid as soon as possible (with daily runs).
- 3.2.4 During the reporting period, the Fund processed over 2,700 items of priority casework (involving a payment to a member i.e. retirements, beneficiary payments and transfers-out). This represented a 169% increase on the prior three-month period (1,006 cases). Across 'lower priority' processes over 1,800 items were completed in the same period versus 969 for the prior 3 months (an 86% increase).

- 3.2.5 The process for escalation and prioritisation of individual casework, together with the flexing of resource to support priority work will continue to be monitored closely over the coming weeks and months as teams become more familiar with the new system and management reporting tools and as processing rates increase.
- 3.2.6 The Fund has developed enhanced reporting, to include weekly tracking and aged analysis (including “by employer”) of key processes and member prioritisation. Appendix A provides a summary of the month-by-month progress on retirement casework over the period October 2023 to February 2024 as well as an overview of volumes involved across other elements of key casework. This reporting has enabled better management of caseloads and improved member outcomes. Future focus will include developing further reporting functionality across other processes and to enable and track delivery performance aligned to established KPIs for use in case management and reporting.

#### 4.0 Transfer Out – All Casework

- 4.1 In total, 17 individual transfer payments were made during the period, 1 October 2023 to 31 December 2023, resulting in a total amount transferred of £889,770.78 This is broken down into the following categories:

Type of transfer	Number of transfer payments	Value of Transfer Payments (£)
Non-Local Government Pension Scheme (LGPS)	17	£892,770.78
Interfund (LGPS Fund)	0	£0
Additional Voluntary Contributions	0	£0

#### 4.2 Non LGPS Transfers

- 4.2.1 During the period 1 October 2023 to 30 December 2023, 93 transfer value quotations were issued to members considering transferring their benefits out of the scheme (by way of comparison, in the prior year, 1 October 2022 to 31 December 2022, 277 transfer value quotations were issued to members). The Fund continues to monitor any trends and increases in demands, as part of its programme of work to protect members from potential pension scams.
- 4.2.2 In total, 17 transfer payments were made during the period, 1 October 2023 to 31 December 2023, (15 of these were to non-public sector schemes) resulting in a total amount transferred of £840,944, (in the prior year 1 October 2022 to 31 December 2022 a total of 33 transfer payments were made totalling £750,907). The payments by value and value break down are as follows:

<b>Value of Transfer Payments</b>	<b>Number of Transfer Payments to Public Sector Schemes</b>	<b>Number of Transfer Payments to Other Schemes</b>
0 to £30,000	1	11
£30,001 to £100,000	1	3
£100,001 to £200,000		1
£200,001 to £300,000		
£300,001 to £400,000		
£400,001 to £500,000		
Above £500,001		
<b>Total</b>	<b>2</b>	<b>15</b>

4.2.3 Analysis has been undertaken of the Transfer out requests to non-public sector or occupational schemes over the period of October to December 2023 to review the volume and trends. During the period, a total of 11 non-public sector or occupational scheme transfer out reviews were undertaken by the transfer panel, to a total of 4 different receiving schemes. There were 7 transfers under £30,000 in value, meaning members were able to transfer these payments without a requirement to take financial advice. The average age of members transferring out was 55 years with the main reasons for members transferring out was consolidate/combine pensions with one pension provider.

## **5.0 Internal Dispute Resolution Procedure (IDRP) Casework**

5.1 For the reporting period (October to December 2023), three stage 2 cases have been completed (all of which were not upheld). Three stage 1 cases were completed, (two not upheld and one partially upheld).

5.2 For the reporting period two new cases have been received and are under investigation (one stage 1 case and one stage 2 case).

## **6.0 Pensions in Payment**

6.1 The gross annual value of pensions in payment to September 2023 was £641m, £15.6m of which was recovered from employing authorities and other bodies as the expenditure was incurred.

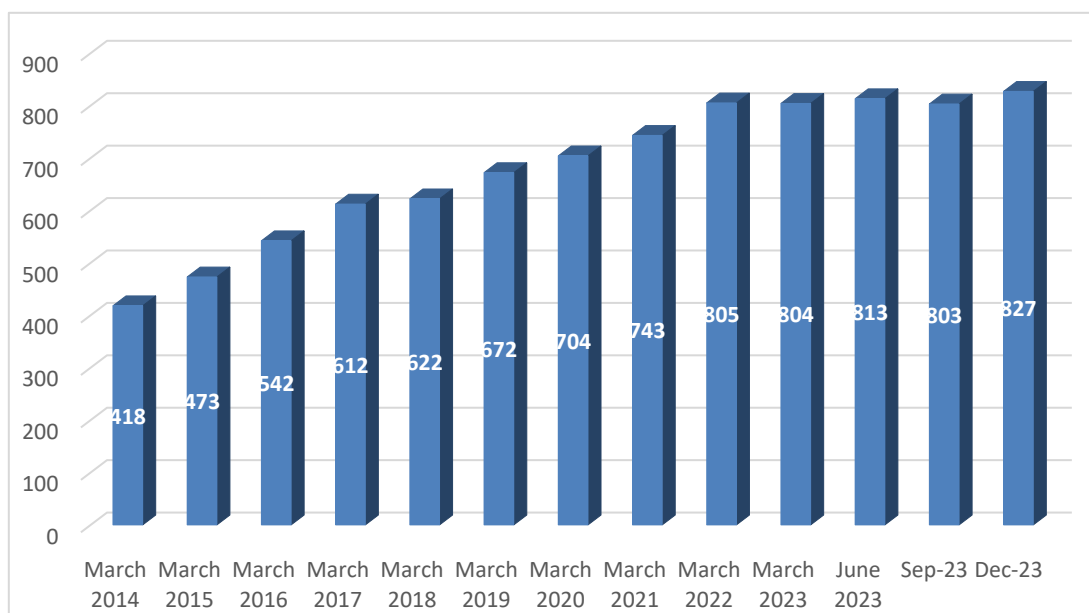
6.2 Monthly payroll details were:

Month	Number	Value £
July 2023	94,594	46,382,763
August 2023	94,459	45,819,993
September 2023	105,947	46,915,708

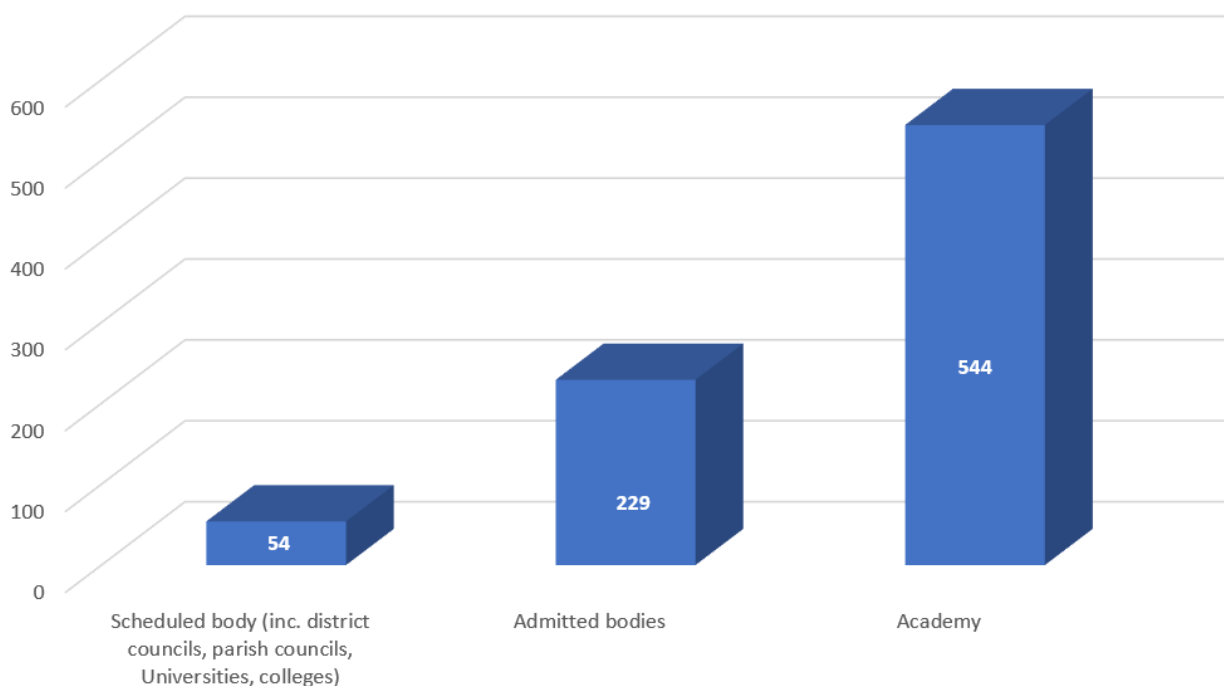
The September figure includes pensioners paid on a quarterly basis.

7.0 Employer Membership

7.1 During the period, the Fund has seen an increase in employer numbers, with the overall number of employers registered with the Fund standing at 827 as at 31 December 2023. Overall, there has been an 97% increase since March 2014 as shown in the graph below, however, for 2022/23 the rate of increase slowed relative to previous years. This is partly due to a high rate of academy conversions a decade ago and a steadier rate of increase is expected going forward.



7.2 The employer base as at 31 December 2023 is categorised into the following employer types:



7.3 The level of on-going work being processed at the end of the period is as follows:

- 72 admission agreements
- 19 academies
- 100 employer terminations

## 8.0 Application for Admission Body Status and Employer Data

8.1 Organisations must satisfy one or more of the admission criteria before they can be admitted to the Fund following approval of applications. Where applications need to be progressed outside of the Committee meeting cycle, Pensions Committee has delegated responsibility for approving such applications to the Executive Director of Pensions in consultation with the Chair or Vice Chair of Pensions Committee.

8.2 There are 14 approvals requested from Committee in regard to applications for admission to the West Midlands Pension Fund, these are detailed in Appendix B

8.3 At the date of compiling this report, 63% (461) of expected monthly data submissions have been received from participating employers. The provision and timeliness of employer submissions may have direct implications for timely member servicing and ongoing engagement related to individual casework. In general, the new data interfaces are improving efficiency with significant benefits for the longer-term. Engagement is ongoing with those employers for whom the Fund is yet to receive monthly submissions, as covered in more detail in the Customer Engagement report.

## 9.0 Update post 1 January 2024

- 9.1 Acknowledging the continued focus upon processing rates, leading to improved customer outcomes, combined with evolving development and functionality, this section provides a high-level overview of operational progress outside of the reporting period. Further detail will be forthcoming in the June 2024 Committee report.
- 9.2 Overall, we have seen further improvements, an increase in processing rates leading to reduced waiting times and an increase in delivery of information and payment of benefits to our members. Over the three months to the end of January 2024, we have seen a significant increase in our processing of retirement benefits. We have completed around 1,900 processes during this period compared to around 600 in the three-month period from Go-Live (24 July 2023). Furthermore, in the period 30 January to 22 February 2024, over 700 retirement processes were completed at a rate exceeding those pre-Go Live. In general, retirement finalisations are being completed in a timelier manner, with no cases remaining older than 9 weeks.
- 9.3 The Fund continues to redistribute resources to focus upon priority processing and has actively recruited to bolster capacity and resilience. Recruitment remains ongoing and to include exploring short-term third-party support where appropriate.
- 9.4 Complementing the improved processing capacity and ensuring our customers are kept informed of progress, the Fund has provided further updates to members and employers to signpost information, guidance, and increased functionality. More information is provided in the Customer Engagement report.

## **10.0 Financial Implications**

- 10.1 The report contains financial information which should be noted.
- 10.2 Employees of organisations who become members of the LGPS will contribute the percentage of their pensionable pay as specified in the Regulations.

## **11.0 Legal Implications**

- 11.1 The Fund, on behalf of the City of Wolverhampton Council will enter into a legally binding contract with organisations applying to join the LGPS under an admission agreement.

## **12.0 Equalities Implications**

- 12.1 There are no direct equalities implications.

## **13.0 Other Potential Implications**

- 13.1 There are no other potential implications.

## **14.0 Schedule of Background Papers**

- 14.1 None.



**15.0 Schedule of Appendices**

15.1 Appendix A – Key process casework summary.

15.2 Appendix B – Admitted Bodies Applications March 2024.